

Message Text

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ACTION EUR-12

INFO OCT-01 EB-07 ISO-00 L-03 H-02 /025 W

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P 120820Z SEP 75

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC PRIORITY 4564

USDOC WASHDC PRIORITY

LIMITED OFFICIAL USE BUCHAREST 4572

E.O. 11652: N/A

TAGS: BDIS, EEWT, RO

SUBJ: FALLEK CHEMICAL CORP. TRADE COMPLAINT

REFS: A. STATE 186152; B. BUCHAREST 3896

1. EMBASSY HAS PRESSED MINISTRY OF FOREIGN TRADE (MFT) FOR A DISCUSSION OF THIS ISSUE ON NUMEROUS OCCASIONS IN AUGUST AND EARLY SEPTEMBER, BECAUSE WE FELT THIS MINISTRY WOULD BE MOST SENSITIVE TO CONGRESSIONAL INTEREST AND WOULD HAVE THE AUTHORITY TO BRING ABOUT A SOLUTION. MFT WAS NOT AWARE OF DETAILS, AND HAS BLAMED MUCH OF THE DELAY ON ITS INABILITY TO REACH KEY OFFICIALS IN PETROLEXPORT AND GAIDARGIU OF MINISTRY OF CHEMICAL INDUSTRY FOR AN EXPLANATION. WHILE THIS PERIOD HAS BEEN UNUSUALLY HARD-HIT BY OFFICIALS' VACATIONS--THOSE PLANNED FOR JULY WERE POSTPONED, NOT CANCELLED, BY FLOODS IN JULY--EMBASSY HAS DISTINCT IMPRESSION THAT PETROLEXPORT HAS BEEN STALLING ON THIS ISSUE, WHETHER WITH FALLEK (WHICH THEY HAVE NOT CONTACTED AS PROMISED JULY 8), THE TWO MINISTRIES OR US.

2. ON SEPTEMBER 11 ACHIM OF MINISTRY OF FOREIGN TRADE FINALLY RECEIVED A REPORT FROM PETROLEXPORT AND TELEPHONED EMBASSY. HE REITERATED HIS CONCERN ABOUT THE CASE AND SAID HE WOULD FOLLOW UP. ONLY NEW ELEMENTS IN HIS INFORMATION WERE:

(A) PETROLEXPORT BELIEVES ITS CONFIRMATION OF
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JANUARY 23, 1975, OF THE CONTRACT NEGOTIATED IN BUCHAREST

THAT MONTH DOES NOT AGREE WITH THE PRICES AND CONDITIONS
CONFIRMED BY FALLEK'S BRUSSELS OFFICE ON MARCH 3, AND
THAT THE LATTER WERE NOT THE TERMS AGREED TO. COMMENT:
FOLLOWING THE TELEPHONE CONVERSATION, WE CHECKED EMBASSY FILES
AND DISCOVERED A COPY OF A MARCH 7 TELEX FROM PETROLEXPORT TO
FALLEK/BRUSSELS CONFIRMING THE TERMS AS STATED IN FALLEK'S
TELEX OF MARCH 3.

(B) PETROLEXPORT INTENDS TO DISCUSS THE PROBLEM WITH
FALLEK'S U.S. OFFICE IN OCTOBER IN SPAIN AT THE CONFERENCE
OF EUROPEAN ASSOCIATION OF PETROCHEMICAL INDUSTRIES. COMMENT:
WE UNDERSTAND THAT FALLEK IS NOT INTERESTED IN RENEGOTIATING
THE CONTRACT AGAIN.

3. FOR STATE: PLEASE CONTACT FALLEK TO DETERMINE
WHETHER OUR CONCLUSION, THAT FALLEK WILL NOT BE SATISFIED
WITH MFT RESPONSE, IS CORRECT. IF SO, WE WILL INFORM THE
MINISTRY OF FOREIGN TRADE IN WRITING, TO INDICATE THAT
WE INTEND TO PUT LACK OF PROGRESS ON THIS ISSUE ON THE RECORD.
IF FURTHER REPLY TO SENATOR SPARKMAN IS REQUESTED, WE SUGGEST
A BRIEF STATEMENT THAT RESPONSES FROM GOR HAVE NOT YET BEEN
SATISFACTORY BUT THAT WE ARE PURSUING THE CASE AND THAT
THE MINISTRY OF FOREIGN TRADE HAS SHOWN AN INTEREST IN IT.

4. FOR COMMERCE AND STATE: SINCE THE KEY WORKING-LEVEL
OFFICIALS CONCERNED WITH THIS CASE--ACHIM AND GAIDARGIU--
DEPART TODAY FOR EXPERTS MEETING IN WASHINGTON BEGINNING
MONDAY, WE WILL NOT BE ABLE TO PURSUE IT HERE UNTIL THEY
RETURN. HOWEVER, IT WOULD ADD GREATLY TO OUR CREDIBILITY
HERE IF SOMEONE WOULD MENTION THE CONGRESSIONAL CONCERN IN THIS
CASE TO THEM DURING THE MEETING. IF FALLEK CAN BE REACHED
IN TIME, PERHAPS THEIR REACTION CAN ALSO BE INJECTED.
BARNES

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE COMPLAINTS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BUCHAR04572
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750316-0276
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750955/aaaabwgd.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 186152, 75 BUCHAREST 3896
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2003 by BoyleJA>; APPROVED <21 OCT 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FALLEK CHEMICAL CORP. TRADE COMPLAINT
TAGS: BDIS, EEWT, ECEM, RO, FALLEK CHEMICAL CORP, PETROLEXPORT
To: STATE COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006